



GEBP Investment Committee Newsletter

No. 5, May 2011

In this Newsletter, we will aim to provide information on the following recent and relevant issues affecting the GEBP:

- What has the Investment Committee been involved with over the past 12 months?
- Our membership profile and consideration of the investment choices members have been making.
- A consideration of the results from the recent Investment Survey.
- Of most relevance to Rest of World and Swiss Members, information on the new BlackRock Emerging Markets Equity Index Fund and the PIMCO Global Aggregate Bond Fund and a reminder for affected members to consider your investment choices.



What has the Investment Committee been involved with over the past 12 months?



It has been a busy time over the last year for the Investment Committee (IC), who have sought to improve the GEBP and to serve your best interests, along with the GEBP Trustees, Boal & Co. Some of the most recent activity has included:

- Organisation of an Investment Survey to get a better understanding of your views on the investment fund choices offered by the GEBP and on the overall GEBP itself. Highlights from the Investment Survey are presented in more detail later in the Newsletter.
- Half-yearly administration reporting to assess at plan level, the overall member demographics and more importantly trends on member decision-making. The aim of this is to ensure that appropriate investment choices are being made by our members based on their ages and term to retirement. We want to ensure that our 25 year olds are not investing wholly in cash for 40 years and our 64 year olds are not investing everything in emerging markets the year before retirement. Although unable to provide GEBP members with individual investment advice, we can support the provision of investment information, so that members are informed enough to be able to make effective decisions.
- Changes to the GEBP (US) section. As a result of the changing membership demographics, the IC, after consulting with the Trustees and investment advisors Towers Watson, decided to change the GEBP (US) section default fund from the Alliance Bernstein 2015 to the Alliance Bernstein 2020 fund. You may be aware that as this is the default fund option, it is often utilised by those members of the GEBP (US) choosing not to make a positive selection from fund options available. It is also a self-direct fund choice. This change was designed to align the default fund more closely with the current member age demographics of the GEBP (US).
- More self-direct investment options due to a demand from members of the Swiss section of the GEBP. There were four new Lifestyle Portfolios added by the IC and the Trustees to the GEBP (Swiss) investment options so that the current range includes a:
 - European Lifestyle Portfolio (formerly titled the GEBP (Swiss) Lifestyle Portfolio)
 - Global Passive Lifestyle Portfolio
 - North American Passive Lifestyle Portfolio
 - Asian Passive Lifestyle Portfolio
 - Emerging Markets Passive Lifestyle Portfolio

- Replacement of funds offered in the ROW and Swiss sections. The Investment Committee, after consulting with the Trustees and investment advisors Towers Watson, decided to replace funds offered in the ROW and Swiss sections having determined two alternative new funds to be more beneficial to the membership. You will have received a communication around these fund changes earlier this spring that indicated that the JP Morgan Global Bond Fund and the Schrodgers Emerging Markets Equity Fund would be removed at the end of August from the GEBP investment fund line

up. At the current time, these investment funds are offered in conjunction with the replacement funds, which are respectively the PIMCO Global Aggregate Bond Fund and the Black-Rock Emerging Markets Equity Index Fund. Members investing in these funds should consider their choices at this time and note the intention to withdraw the funds at the end of August. Any members retaining investments in the two outgoing funds on 31 August 2011 will be transferred across to the replacement funds automatically on the 1 September. We consider this further later in the Newsletter.

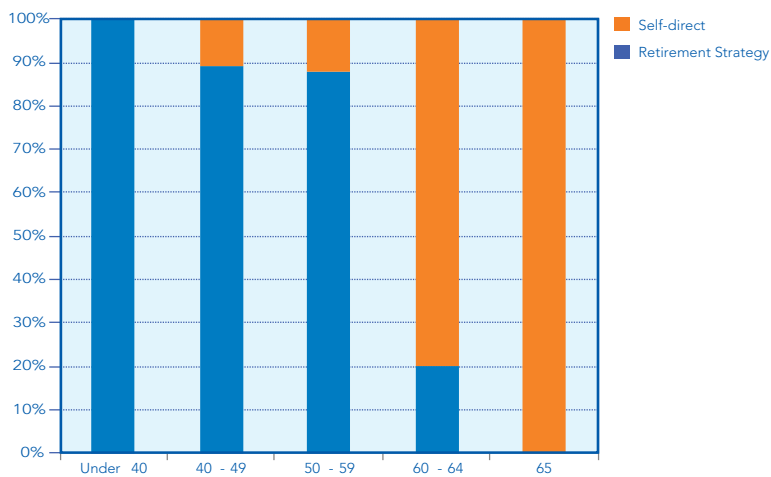


Our membership profile and consideration of member investment choices

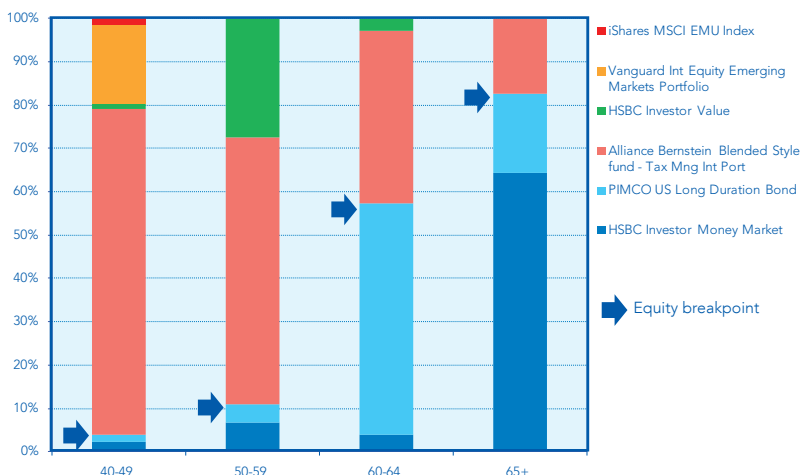
Earlier in the Newsletter we mentioned the half-yearly administration reports prepared by Towers Watson from plan level data provided by the GEBP administrators (Zurich and RBC cees). This provides valuable information on the membership demographics, on investment choices members make and the administration performance of the plan in general, including how well the administrators are performing against the agreed Service Level Agreements (SLA's).

We have set out below extracts from the administration report that may be of interest to GEBP members;

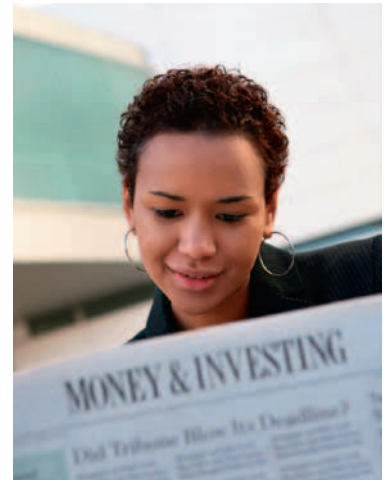
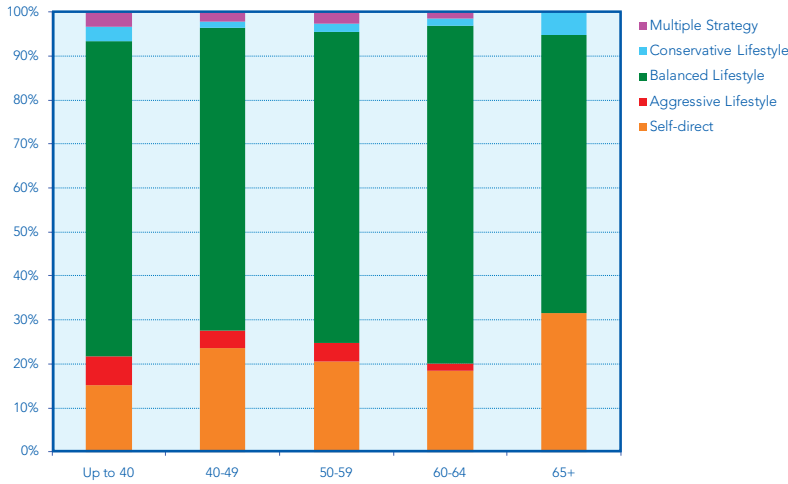
Tetra Pak GEBP (US): Investment choice by age



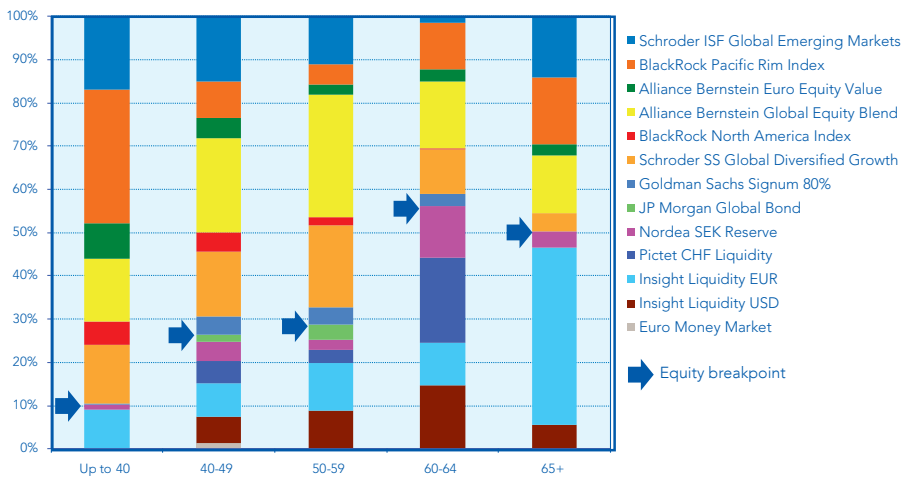
Tetra Pak GEBP (US): Investment split for self-direct members by age



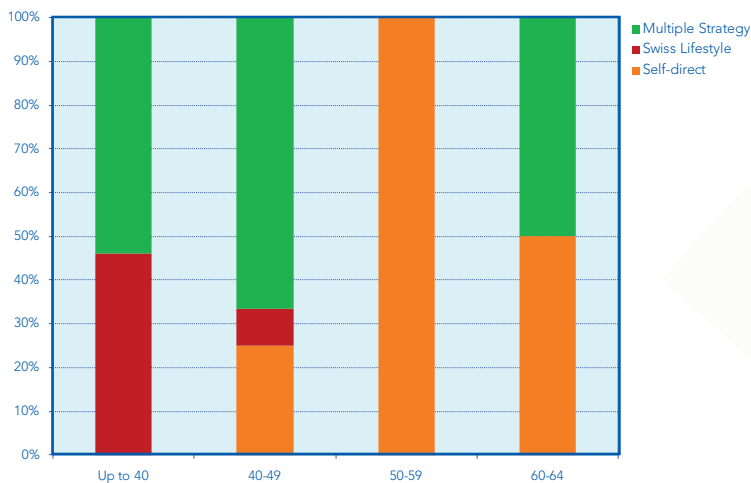
**Tetra Pak GEBP (ROW):
Investment choice by age**



**Tetra Pak GEBP (ROW):
Investment split for self-direct members by age**



Tetra Pak GEBP (Swiss): Investment choice by age



These extracts indicate that a high proportion of members are invested in the respective default Lifestyle strategies and the Alliance Bernstein 2020 Retirement Strategy default in the US. It also indicates that for the minority of members that choose to self-direct, most are investing with an appropriate risk profile based on their age. So younger members invest more in growth investments such as equities and older members close

to retirement are investing instead in more capital protecting investments, such as bonds and cash. Please note, we have not included a GEBP Swiss chart indicating the investment split for self-direct members, as few members in the Swiss section have chosen to self-direct and those that do are spread over the age groups.



A consideration of the results from the Investment Survey

At the request of the Investment Committee, Towers Watson conducted an Investment Survey earlier this year asking members of the GEBP their opinions regarding the GEBP generally, the investment options and the administration service and tools.

The response rates were reasonable and the results have been shared with the Investment Committee. Below is a summary of some of the key results by GEBP section:

Findings	ROW	Swiss	US
Participation rates	221/813 = 27%	10/28 = 36%	25/66 = 38%
Investment			
1. Members not making an investment choice	60%	40%	55%
2. Members in 1. Positively selecting default option	55%	45%	33%
3. Satisfaction around investment fund offerings	26% Satisfied 48% Neutral 26% Dissatisfied	20% Satisfied 50% Neutral 30% Dissatisfied	28% Satisfied 28% Neutral 44% Dissatisfied
4. Sufficient materials to make choices	Yes, except at enrolment (25%)	Yes, except at enrolment (20%)	40% dissatisfied
5. Lifestyles understood	Yes, by over 50%	Yes	No, only 25% well
6. Fund value balance reviewed	60% every 6 months or less	80% every 6 months or less	70% every 6 months or less
Communications			
7. Favoured method by email	Yes, 90%	Yes, 80% (high view for 1-2-1 personal meetings)	Yes, 100%
8. Should IC make Lifestyle component changes without member engagement	Yes, automatically on poor performance 75%	Yes, automatically on poor performance 80%	Yes, automatically on poor performance 60%
9. Should IC make self-direct changes without member engagement / notification	No, 50% require consultation / notification	No, 50% require consultation / notification	No, 75% require consultation / notification
10. Members not reading handbook and investment guide	40%	20%	40%

These results are very helpful and as a consequence the IC has already decided to carry out an investment funds review for the whole GEBP to aim to make further improvements. Poor performing funds will be revisited and a wider range of asset classes potentially introduced, subject to this being allowable by the regulatory bodies involved with the GEBP. The manner in which the members receive communications will also be revisited and likely changes made to support understanding and greater appreciation of the GEBP.

Information on the new Emerging Markets and Global Bond Funds and a reminder for members to consider your investment choices

As advised earlier in the Newsletter, the Investment Committee, after consulting with the Trustees and investment advisors Towers Watson, decided to replace the JP Morgan Global Bond Fund with the PIMCO Global Aggregate Bond Fund and the Schroders Emerging Markets Equity Fund with the BlackRock Emerging Markets Equity Index Fund. There were a number of reasons why these changes were made, as follows;

JP Morgan Global Bond Fund to PIMCO Global Aggregate Bond Fund

The JP Morgan Global Bond Fund (JP Morgan Fund) had been on watch by the Investment Committee for a year and was not performing well against its benchmarks over the longer term. Additionally, there were concerns over the limited universe of bonds held within and potentially by the JP Morgan Fund and its potential to deliver returns in line with its benchmarks in the future. The Investment Committee decided therefore to replace the JP Morgan Fund with the PIMCO Global Aggregate Bond Fund (PIMCO Fund) which offers a wider exposure to bonds, is highly rated by Tower Watson, the investment advisors and has a good historic past performance record. The investment charge on the JP Morgan Global Bond Fund is 0.40% and the investment charge on the PIMCO Fund is broadly comparable to the JP Morgan Global Bond Fund.



Schroders Emerging Markets Equity Fund to BlackRock Emerging Markets Equity Index Fund

The Schroders Emerging Markets Equity Fund (Schroders Fund) had been on the watch list of the Investment Committee for a few quarters, as it had been identified as having 'capacity' issues, meaning that the level of assets in this fund had grown to a point that made it difficult for the active management investment process operated by Schroders to add value on an ongoing basis. Although the Schroders Fund performed well in absolute terms, it had fallen short when compared to its benchmark. Consequently, the Investment Committee decided to replace the Schroders Fund with an alternative that is significantly less expensive in the same asset class and that has delivered benchmark returns. The Schroders Fund having an investment charge of 0.95% and the replacement New BlackRock Emerging Markets Equity Index Fund (BlackRock Fund) having only a 0.10% investment charge. GEBP members will notice that the New BlackRock Fund is an index or passive fund (that tracks the MSCI Emerging Markets Index), whilst the outgoing Old Schroders Fund is an actively managed fund.

We would also like to take this opportunity to remind you of the action required from members who have made a self-direct investment election involving either or both the JP Morgan Fund or the Schroders Fund. If you have done so, you are strongly encouraged to review your investment choices at this time. Please keep in mind that as has already been advised, should any assets be held in the JP Morgan or the Schroders Fund as at 31 August 2011, such assets will be automatically transferred to the PIMCO Fund (for JP Morgan assets) and BlackRock Fund (for Schroders assets) on the 1 September 2011 and the outgoing will then be fully closed.



We hope you have found this newsletter to be helpful. Any comments or queries you have on the GEBP design, the funds, or our approach to communications can be directed to the Investment Committee, via Jan Hoogeveen at Tetra Pak. Any other retirement account queries should be directed as usual to the record keeper, either Zurich International Life for Rest of World and Swiss sections (chris.cain@zurich.com) or RBC cees for the US section (ceescommunications@rbc.com or +44 (0) 1534 602 079).

